


State of California
Business, Transportation and Housing Agency
Department of Transportation

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POLICY MATTERS
Report on Antioch Toll Revenue Generation
Information Item

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W. J. EVANS, Deputy Director
Finance
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REVIEW OF ANTIOCH BRIDGE TOLL REVENUE GENERATION, COLLECTION COSTS AND STATUS OF BOND RETIREMENTS

ISSUE

The California Transportation Commission (Commission) has asked Caltrans to report on the Antioch Bridge toll revenue generation, collection costs, status of bond retirement, and the feasibility of eliminating collection of tolls on a permanent basis.

BACKGROUND

The Antioch Bridge is located on State Route 160 extending across the San Joaquin River onto Sherman Island in Sacramento County to the north and Contra Costa County to the south. The \$41 million Antioch Bridge opened to traffic in December 1978 as the only northerly highway connection across the San Joaquin River linking east Contra Costa County to the Delta communities of Rio Vista and Lodi. Pedestrians and bicycles are permitted only on the Antioch and Dumbarton Bridges.

Tolls are adopted by the Metropolitan Transportation Commission and are based on the total number of axles on the roadway in a vehicle combination. The toll is \$2.00 dollars for automobiles (2 axles), collected from northbound only. This includes the one dollar (\$1.00) surcharge collected on each vehicle per SB 60 to fund the regional portion of the Toll Bridge Seismic Retrofit Program. Collection is enforced 24 hours per day.

Statutory Authority for Toll Rates

The Metropolitan Transportation Commission (MTC) is a public agency created in 1971 for the purpose of regional transportation planning and coordination in the nine Bay Area counties. Under State law, MTC is empowered to adopt toll rate schedules for toll bridges within its jurisdiction.

In August 1997, Senate Bill 226 (Chapter 328 of 1997) was passed. Effective July 1, 1998, the bill transferred certain Commission duties to the Bay Area Toll Authority (BATA). BATA, which has essentially the same membership as MTC, is responsible for programming, administering and allocating non-seismic retrofit toll revenues from the seven State-owned Bay Area toll bridges. Toll revenues and other income, except seismic retrofit surcharge revenues, are now transferred to BATA.

Caltrans remains responsible for the operation, maintenance and rehabilitation of the seven bay area toll bridges and the San Diego-Coronado Bridge, as well as for the design and construction of projects on the bridges. BATA and SANDAG reimburse Caltrans for costs attributable to maintenance involving the toll facilities. Maintenance which is normally performed by Caltrans, whether collecting tolls or not, is funded by the State Highway Account.

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Regional Measure 1 Program

In November 1988, the San Francisco Bay Area voters approved Regional Measure One (RM 1) authorizing a toll increase on all seven of the State-owned Bay Area toll bridges at \$1.00 for passenger vehicles and a comparable amount for other vehicles. Approval of RM 1 implemented statutory provisions that identified uses of the additional toll revenue. RM 1 included specific projects to be funded by the toll increase as well as "formulas" for dedicating certain percentages of the toll increase to rail and transit capital improvements and other projects "designed to reduce vehicular congestion" on the toll bridges.

Toll Bridge Seismic Retrofit Program

With the signing into law of Senate Bill 60 (Chapter 327/97), the retrofitting of toll bridges was recognized as a priority and responsibility for both the State and region. The State share of funding for the Toll Bridge Seismic Retrofit Program is comprised of \$790 million from the sale of bonds authorized by Proposition 192 and an additional \$875 million from the State Highway Account and the Public Transportation Account.

The regional share of funding for the Toll Bridge Seismic Retrofit program is \$955 million from toll revenues. The Bay Area contribution is \$907 million and is to be generated from a \$1.00 toll surcharge (authorized by Senate Bill 60) on the seven Bay Area toll bridges. SANDAG is responsible for \$33 million of the regional share. The remaining \$15 million of the regional share contribution is from the Vincent Thomas Bridge.

Revenue Bonds

The Bay Area Toll Bridges under BATA jurisdiction are separated into Northern and Southern Bridge Groups. Revenues from tolls on all bridges in a Bridge Group may be expended on any bridge in that group (with the exception of a portion of the revenues from the RM 1 toll increase on the San Francisco-Oakland Bay Bridge which are statutorily designated for rail extensions). This concept of operating as Bridge Groups is a carryover from pre-Senate Bill 226 when this was required by statute. The Bridge Groups are defined as follows:

Northern Bridge Group

- Antioch Bridge
- Benicia-Martinez Bridge
- Carquinez Bridge
- Richmond-San Rafael Bridge

Southern Bridge Group

- San Francisco-Oakland Bay Bridge
- San Mateo-Hayward Bridge
- Dumbarton Bridge

The State currently has no outstanding bonds against either the Northern or Southern Bridge Groups. Prior to Senate Bill 226, there were outstanding bonds against both Bridge Groups. However, prior to transferring toll revenues to BATA, funds were placed into escrow providing for the defeasance and discharge of the outstanding bonds. As a result of the defeasance, the Commission was released from all covenants and contracts under the Bond Indentures. The decision and responsibility for utilizing revenue bonds to finance future toll bridge projects rests solely with BATA for the Bay Area toll bridges.

Antioch Bridge Toll Revenues and Expenditures

Following is a fiscal year 1998/1999 summary of toll revenues and operating expenditures for the Antioch Bridge:

Operating Revenues

Transfers from Caltrans for revenues	\$ 2,764,426
Toll Bridge Seismic Retrofit Account contributions	1,875,921
Other revenues	13,859
Total operating revenues	<u>\$4,654,206</u>

Operating Expenses

Transfers to Caltrans for operating expenditures	\$ 1,132,101
Services and charges	36,370
Depreciation	93
Total operating expenses	<u>\$1,168,564</u>

Net Operating Income\$3,485,642**Nonoperating revenues (expenses)**

Interest income	\$ 639,548
Other income	1,048
Toll Bridge Seismic Retrofit Account contributions	(1,875,921)

Total nonoperating revenue\$ 640,596**Income before operating transfers**\$ 2,250,317**DISCUSSION**

There are several factors that must be considered when considering removal of tolls on the State-owned toll bridges on a permanent basis. The first factor is that the authority for setting toll rates rests with BATA for the Antioch Bridge.

In evaluating a proposal to remove tolls on Bay Area toll bridges, consideration must be given to the impact on the funding of RM 1 projects. Since BATA continues to operate as the Northern and Southern Bridge Groups, removal of tolls on a specific bridge must be analyzed with respect to the impact on the Bridge Group in which it resides. This could be extremely critical when revenue bonds are considered to finance future RM 1 or rehabilitation projects.

In addition, any change in toll collections on the Bay Area toll bridges would impact the \$1.00 surcharge being collected to fund the regional portion of the Toll Bridge Seismic Retrofit Program. While the total contribution of \$907 million would not be affected, removal or limited suspension of tolls would extend the length of time the surcharge would be in effect on other bridges.